



IFC

Financial Institutions Group (FIG)

Capital Markets

As of December 2024

Industry Context

Well-functioning capital markets mobilize supplies of private capital by channeling finance from savers/issuers (institutional, retail, asset managers) to borrowers (firms, governments, and others). Well-developed capital markets provide a competitive spur to bank finance and improve the quality and efficiency of resource allocation within an economy by directing capital to its most productive uses. They also finance activities often perceived as too risky for bank financing, and often at longer tenors.

The potential for private capital to drive development impact is immense, with global banks, institutional investors, and asset managers holding approximately \$400 trillion in assets under management. Just a 1% annual reallocation could bridge the SDG financing gap. Yet significant barriers remain to unlocking this capital at scale, from limited benchmarks and market data to challenging regulatory environments.



**FIG Capital Markets
Committed Portfolio**

\$9.6 billion



**FIG Capital Markets Historical
Commitment Volume**

\$24 billion

IFC Strategy and Portfolio

IFC builds the ecosystem for private investment in emerging markets and developing economies, through advisory services and capital market reforms, thereby improving access and opportunities. Forging partnerships with diverse institutional investors, IFC demonstrates the investment case and brings in co-investors across our portfolio. IFC's expertise in structuring innovative capital markets investment products supports new avenues to channel private capital into productive EMDE investments, enabling social safety nets, financial stability, and resilience.

Reflecting different stages of countries' capital markets development, FIG Capital Markets work is guided by three strategic pillars:

- Developing local capital markets by attracting a wider range of issuers, diversifying the investor base, and building robust market infrastructure.
- Deepening and broadening capital markets and fostering innovation by supporting and/or introducing new asset classes and products, leveraging innovative capital markets solutions, and prompting better information, transparency and standard-setting.
- Increasing access to global capital by building market capacity to mobilize global investment flows and developing and leveraging co-investment and de-risking instruments and platforms.

Project Examples



BANCO SANTANDER (CHILE)

In December 2024, IFC, Banco Santander Chile and PGGM expanded their impactful collaboration in an innovative credit risk sharing facility. The transaction allows the bank to increase its mortgage lending to women in Chile, an underserved segment of the population. With the December 2024 upside, the transaction references \$1 billion portfolio of corporate loans to borrowers in Chile. IFC provides full credit risk protection on \$800 million of that portfolio. Meanwhile, PGGM offers a first loss guarantee to IFC, with IFC retaining the senior risk. In October 2024, the transaction was also awarded the “Emerging Markets Transaction of the Year” during the SCI Capital Relief Trades Awards 2024.



FEDECREDITO (EL SALVADOR)

In December 2024, IFC successfully subscribed in Fedecredito, El Salvador's securitization notes. This transaction was part of the first social issuance in El Salvador with a long-standing client. The subscription was the last series under the Fedecredito's remittance securitization program bringing the total issuance to \$80 million. The notes proceeds will support loans for MSMEs including women-owned enterprises, and housing finance for women. IFC continues supporting the diversification of Fedecredito's funding by mobilizing a new investor to the structure.



UNICREDIT BANK (ROMANIA)

In November 2024, IFC invested \$41 million equivalent in UniCredit Bank Romania's \$162 million 5-year senior unsecured bond. This represents the first issuance by UniCredit under the Bank's Euro Medium Term Notes Program (EMTN Program), approved in July 2024. IFC's support of over 25 percent of the deal size helped contribute to the success of the transaction and enabled the bank to significantly upsize the issue and reduce pricing. This deal also represents the largest bond issuance by UniCredit, and it attracted a diverse pool of investors, including DFIs, pension funds, insurance companies and asset managers, thus contributing to development of the domestic capital markets and setting a precedent for other domestic capital market transactions. The bond is listed on the Bucharest Stock Exchange. IFC's proceeds will be divided with 50 percent designated for green loans to SMEs and the other 50 percent for green housing loans to private individuals, with at least 25 percent of the green housing loans dedicated to women.